



GARY R. HERBERT
Governor

GREGORY S. BELL
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

September 23, 2010

Certified Return Receipt
7005 0390 0000 7507 4610

Brian Comer
Far West Bank
Commercial Lending
201 East Center Street
Provo, Utah 84606

Subject: Presentation of Site Draft - Letter of Credit # [redacted] Bryce Haas, B&C Limestone
Quarry, M/039/0013, San Pete County, Utah

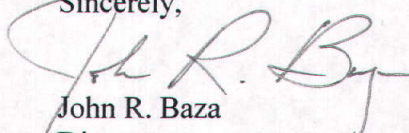
Dear Mr. Comer:

Far West Bank has established Irrevocable Letter of Credit No. [redacted] in favor of the Utah Division of Oil, Gas and Mining (Division) on behalf of Bryce Haas under Utah mine permit M/039/0013 for the B&C Limestone quarry in the amount of \$36,000.00. A draw in the full amount of the Letter of Credit is required to assure complete reclamation of the mining project due to cancellation of the lease from the School and Institutional Trust Lands Administration.

The Division is submitting the attached sight draft for the full face value of the letter of credit of \$36,000.00. The Division anticipates that payment of that amount will be made by delivery of certified funds payable to the State of Utah within two days following your receipt of the sight draft. Payment should be sent to the above address by a next day delivery. The Division will hold the funds as surety to be used for reclamation of the B&C Limestone quarry pending a forfeiture action to be filed before the Board of Oil, Gas and Mining.

Please advise me in writing if this procedure is not acceptable. If you have any questions, please feel free to call Paul Baker at (801) 538-5261. Thank you for your cooperation.

Sincerely,


John R. Baza
Director

JRB:pbb:pb

Enclosure: Sight Draft

Cc: Steve Alder - Attorney General (DOGM)
Bryce Haas - Operator
John Blake - SITLA

P:\GROUPS\MINERALS\WP\M039-Sanpete\M0390013-BandCLimestone\final\sightdraft-09212010.doc





Consumer Loan Department

Letter of Credit No. 015413040

Date: 08-06-01

UTAH DIVISION OF OIL, GAS AND MINING
1594 West North Temple Suite 1210
Box 145801
Salt Lake City, UT 84114-5801

RECEIVED

SEP 20 2001

DIVISION OF
OIL, GAS AND MINING

Gentlemen and Ladies:

1. Far West Bank ("Surety") of Provo, Utah hereby establishes this irrevocable letter of credit ("the Letter of Credit") in favor of the Utah Division of Oil, Gas and Mining ("Division") for an aggregate amount not exceed \$36,000.00 in United States dollars ("Face Amount") effective immediately.

2. This Letter of Credit will expire upon the first event set forth as follows: (a) 5:00 o'clock p.m. (Salt Lake City time) on 08-30-03 or (b) the upon date which sufficient documents are executed by the Division to release Bryce Haas from further liability for reclamation of the B & C Limestone Mine, M-039-013 with notice to Bank or Surety by the Division accompanied by the original Letter of Credit with directions for cancellation.

3. This Letter of Credit will be automatically extended for successive periods of one year from the current or any future expiration date unless the surety gives notice to the Division 90 days prior to the expiration date that the Surety elects not to renew the Letter of Credit.

4. Funds under the Letter of Credit are available against the Division's sight draft, in the form of Exhibit A, specifying Letter of Credit No. 015413040 delivered to the office of the Surety, Far West Bank 201 East Center St. Provo Utah, 84606. At the Division's sole election, the Division may present sight drafts for less than the Face Amount so long as the aggregate amount of all sight drafts does not exceed the Face Amount. Each draft must be accompanied by a certificate in the form of Exhibit B, signed by a duly authorized representative of the Division.

5. If the Surety receives the Division's sight draft(s) and certificate(s) as provided in Paragraph No. 4 above on or before the expiration or termination of this Letter of Credit, the Surety will make such amount as the Division may specify, within the limits of the second sentence of Paragraph No. 4 of this Letter of Credit, available to the Division no later than the close of business, Salt Lake City time, on the second business day following the surety's receipt of the sight draft and certificate and in such a manner as the Division may specify.

6. The Surety will give prompt notice to the Operator and to the Division Director of any notice received or action filed alleging the insolvency or bankruptcy of the Surety, or alleging any


violations of regulatory requirements which could result in suspension or revocation of the Surety's charter or license to do business.

7. The Letter of Credit will be governed by the laws of the State of Utah and shall be subject to the Uniform Customs and Practice for Documentary Credit, 1993 revision, International Chamber of Commerce Publication No. 500, as the same may be amended and in effect from time to time ("UCP"). In the event of a conflict between Utah law and the UCP, Utah law shall govern.

8. All communications regarding this Letter of Credit will be addressed to the Surety Far West Bank 201 East Center, Provo Utah, 84606, referencing Letter of Credit No.

Very Truly Yours,

Far West Bank
The Surety/ or Bank

By: H Don Norton

(Authorized Signature)

Title: President & CEO

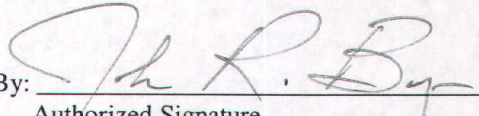


EXHIBIT B

to
Letter of Credit Number 15413040

I, John R. Baza a duly authorized representative of the Utah Division of Oil, Gas and Mining, hereby certify that (1) the drawing in the amount of \$ 36,000, by sight draft accompanying this certificate, under Letter of Credit No. _____ dated 8/6/2001 issued by you is permitted under the provision of the Letter of Credit, (2) the Letter of Credit has neither expired nor terminated pursuant to its terms, (3) the amount of the sight draft, together with any amounts previously drawn under the Letter of Credit, does not exceed the Face Amount, and (4) the amount to be drawn is necessary to assure or complete reclamation of the B&C Limestone (name of mining project), number M/039/013 (permit number) in accordance with applicable law.

The Utah Division of Oil, Gas and Mining

By: 
Authorized Signature
The Utah Division of Oil, Gas and Mining

Date 9/23/2010



EXHIBIT A - SIGHT DRAFT

to
Letter of Credit Number 15413040

9/23/2010 Salt Lake City Salt Lake County _____
Date City, County Letter of Credit No.

PAY TO THE ORDER OF: Utah Division of Oil, Gas and Mining.

Thirty-Six Thousand U.S. DOLLARS

TO: Far West Bank
201 East Center Street
Provo, Utah 84606

Utah Division of Oil, Gas and Mining
1594 West North Temple Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801

By: Joh R. By
Authorized Signature